

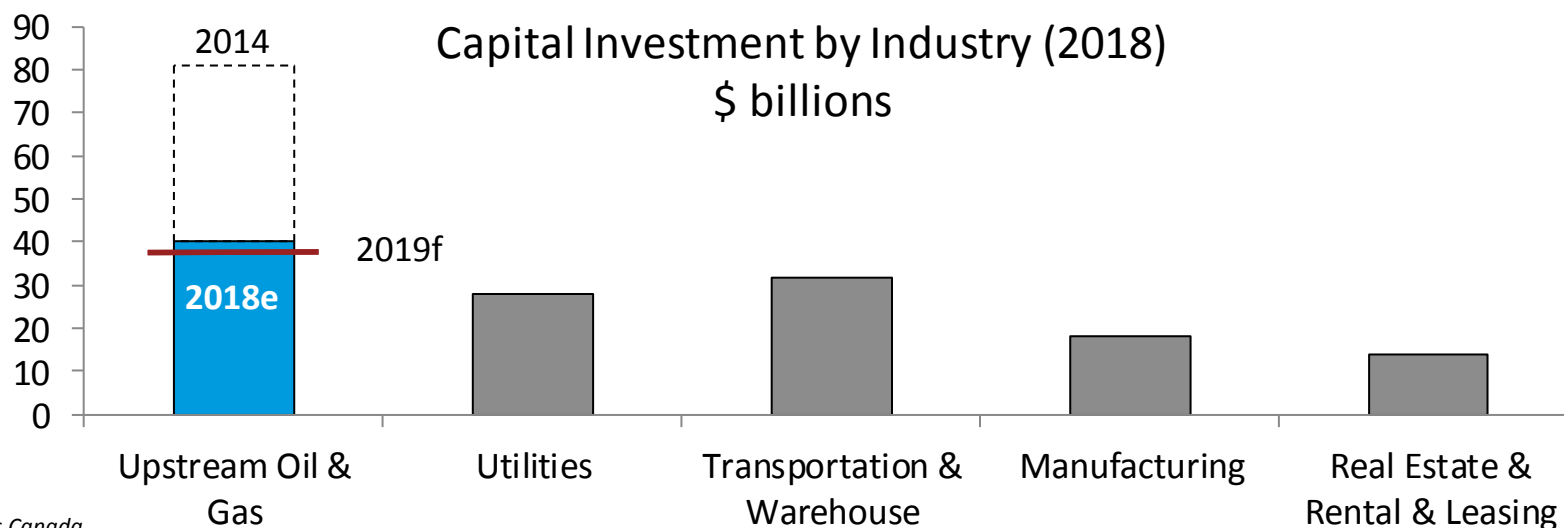
A photograph of an oil pumpjack in a rural field. The pumpjack is a large, dark metal structure with a curved arm, positioned in the middle ground. The foreground is a field of tall, golden-brown grass. In the background, there are several farm buildings, including a red barn and blue sheds, under a clear blue sky with a few wispy clouds. The image is partially framed by a large, light blue, abstract shape that resembles a stylized arrow or a drop.

# March 2019 Capital Investment & Drilling Forecast Update

**CAPP** CANADA'S OIL & NATURAL GAS PRODUCERS

# Capital Investment & Drilling Forecast

- Capital investment peaked at \$81 billion in 2014
- In 2018 E&P capital spending is forecast to be \$40 billion, a 6% decline from 2017. 2019 is forecasted to decline another 8% to \$37 billion.
  - Conventional spending was \$29 billion in 2017 and estimated to be \$27 billion in 2018. Preliminary forecast for 2019 is \$24 billion, a 10% decrease from estimated 2018 spending.
  - Oil sands to decrease by 4% to \$13 billion from \$14 billion in 2017. 2019 forecast is down another 4% to \$13 billion.
- In 2019 the drilling forecast is 5,500 wells, down 10% from the 2018 actual of 6,125 wells (excludes service)
- Payments to governments average about \$7 billion per year over a three year period ending in 2017
- Upstream sector largest private sector investor in Canada in 2018

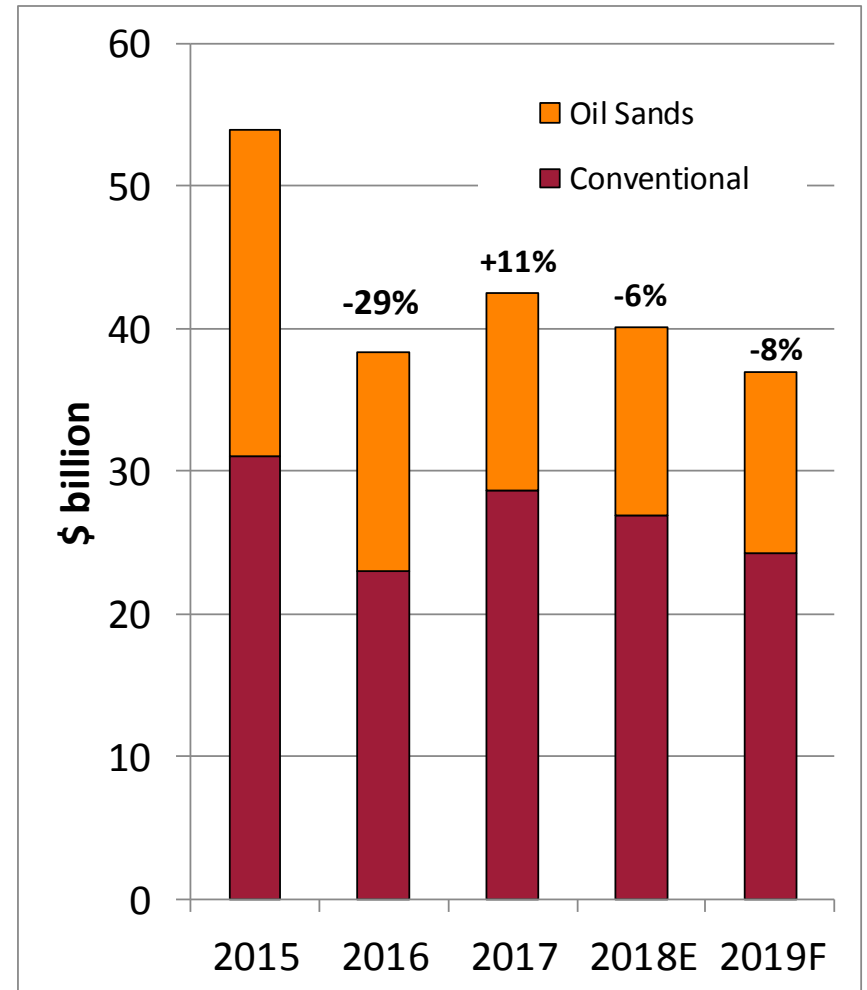
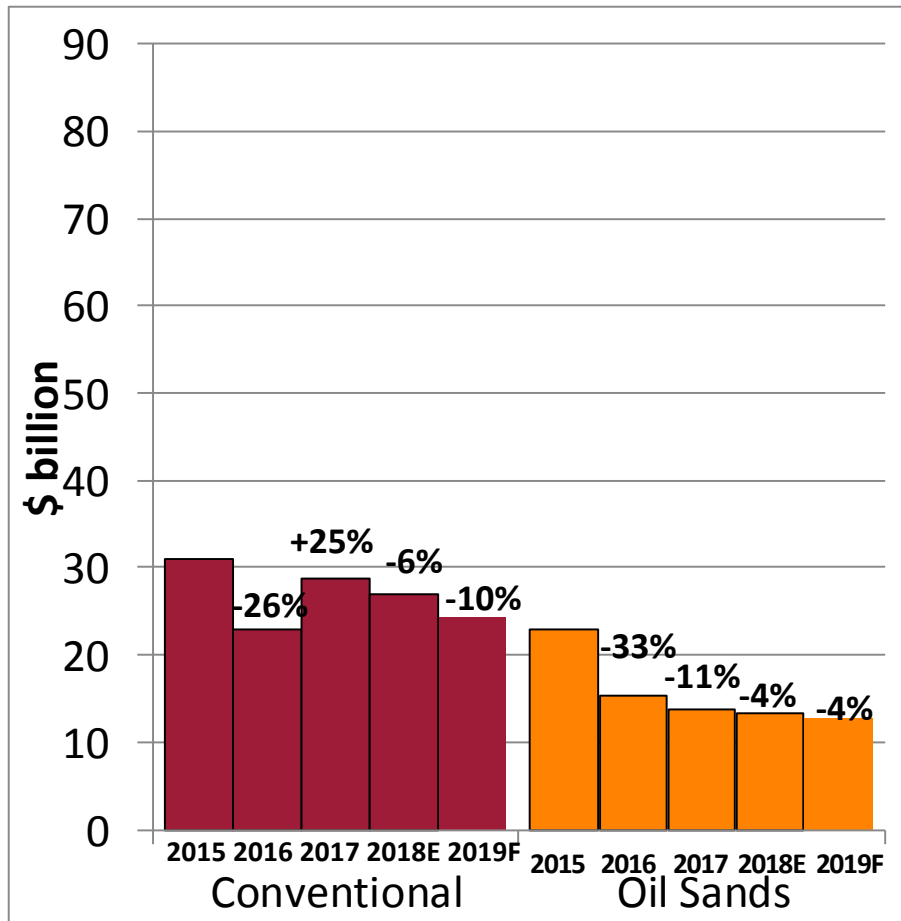


Source: Statistics Canada

# Upstream Capital Investment in Canada

% = Year/year change

## Combined Capital Investment



# Industry Capital Spending Cdn \$billions

Northern Canada		
2017	2018E	2019F
\$0.01	\$0.01	\$0.01

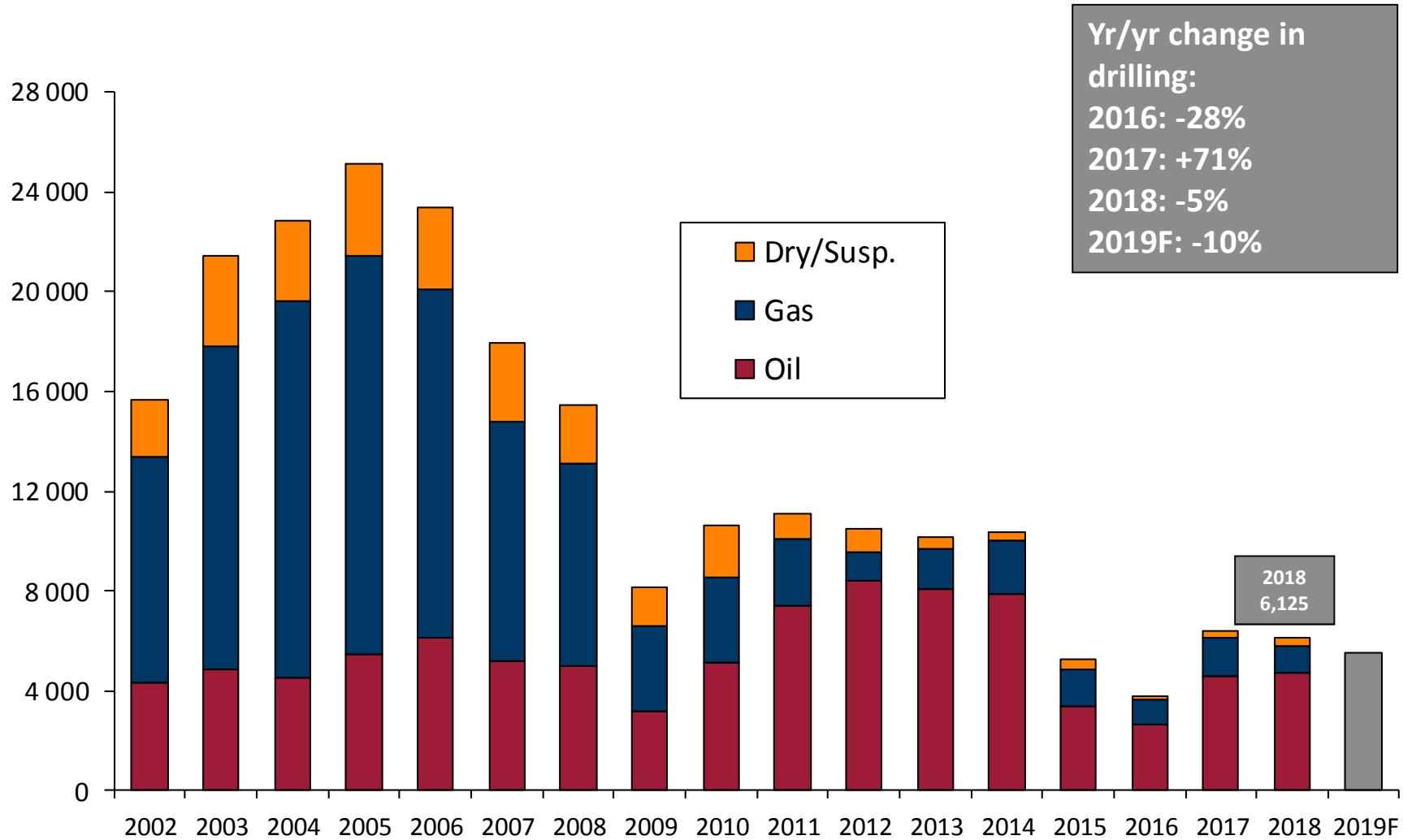
Oil Sands		
2017	2018E	2019F
\$14	\$13	\$13

Western Canada		
2017	2018E	2019F
\$26	\$24	\$22

Oil & Gas Investment Spending:		
2017:	\$42.5 billion	
2018E:	\$40 billion	
2019F:	\$37 billion	

East Coast Offshore		
2017	2018E	2019F
\$3.2	\$2.5	\$2.5

# Total Wells Drilled in Western Canada



Source – CAPP. Based on Rig Release  
 Excludes Service and Stratigraphic Wells